

ORIGINAL



0000171085

MEMORANDUM

TO: Docket Control

FROM: Thomas M. Broderick  
Director  
Utilities Division

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED

2016 JUN 17 PM 3 29

JUN 17 2016

DATE: June 17, 2016

DOCKETED BY

RE: STAFF COMMENTS ~~TO THE PROPOSED~~ WATER POLICY STATEMENTS  
FILED IN DOCKET NO. W-00000C-16-0151

The Utilities Division ("Staff") hereby provides comments to the proposed water policy statements filed in Docket No. W-00000C-16-0151 on May 13, 2016 and May 20, 2016. Staff is committed to reviewing and evaluating existing processes and seeking solutions that will result in streamlining of those process.

Overall, Staff supports efforts to encourage water conservation, to minimize customer rate impacts, and to ensure financial stability for public service corporations. Staff also strongly supports efforts to reduce the number of small, struggling water companies. In general, the proposed policy statements are designed to work toward those objectives. Nonetheless, Staff has some concerns with the proposals, and respectfully requests that the Commission proceed with caution in order to avoid unintended consequences.

These comments will begin with a discussion of general concerns that are likely to apply across all of the proposals, and then will address some of the proposals individually.

**I. General Comments**

Some of the wording in the proposed policy statements may constrain the Commission in the discharge of its duties. Often, words of absolute commitment, such as "will" or "shall," appear instead of broader language, such as "may" or "should." Some of the language may not be consistent with the nature of a policy statement. Policy statements are intended to provide guidance and inform Staff and other stakeholders of the Commission's general preferences.

Staff is also concerned that some of the language may create unreasonable expectations or place unintended limits on the Commission's authority. Water utilities may view policy statements that contain definite language as creating a right or an entitlement. A policy statement, however, is not the appropriate vehicle for creating binding rules of general applicability. Because these proposals take the form of policy statements, Staff suggests that the words "shall" and "will" should generally be changed to "may" or "may decide to," or similar permissive wording.

Another concern is scope of certain proposed policies that include Class C water companies. The Commission recently revised its rules regarding utility classifications which resulted in the reclassification of utilities that used to be Class C to Class D, and Classed D to Class E. Staff believes

that policies adopted by the Commission at this time should focus on Class D and Class E companies where efforts to support troubled water companies is the most needed.

Staff understands that many of these proposals are intended to address the problems experienced by small, struggling water companies, and Staff agrees that those are urgent, worthwhile and important objectives.

## **II. Rate Design**

Staff believes that a well-structured rate design will promote revenue stability. Rate designs that recover a larger percentage of the revenue requirement through the monthly minimum and the first tier of the commodity rate may be beneficial because they are likely to result in a more stable and predictable stream of monthly cash flows to the underlying utility. However, the proposed shift in the rate structure may adversely impact low volume customers. Staff recommends that some analysis should be undertaken in order to understand the impacts on low volume customers.

## **III. Materiality**

One of the filings directs Staff to develop “standards of materiality” for audits and to focus audits “on issues likely to materially impact rates.”<sup>1</sup> Staff supports the goal of conducting audits in an efficient and reasonable manner. However, Staff is concerned that specific restrictions may limit the efficacy of Staff’s audits.

Staff currently has auditing guidelines that address the issue of materiality from both a rate base and operating expense perspective. Generally, for small water companies, Staff considers the materiality threshold for adjustments to be one percent of rate base. Where a utility has a small or negative rate base the one percent guide cannot be applied and other factors will need to be considered. Staff applies these guidelines on a case-by-case basis, as the materiality of any specific inquiry may vary with the facts. Even though two or more individual operating expense adjustments may “net out” to an immaterial total, the individual adjustments themselves may be significant. In addition, it is important to capture synchronizing adjustments that might be considered immaterial if viewed in isolation, but that need to be made to accompany the larger adjustment. For example, a clearly material adjustment to salaries expense will generally carry with it a much smaller adjustment related to payroll tax expense liability, but both adjustments should be recognized.

A certain amount of flexibility is helpful in the audit process, and Staff urges the Commission to acknowledge that in these policies.

---

<sup>1</sup> Commr. Little’s Proposed Amendment No. 1 (May 19, 2016).

#### **IV. WRAM**

In the proposed policy statement concerning conservation adjustments, the Working Group proposes the adoption of a Water Rate Adjustment Mechanism (“WRAM”). This mechanism is intended to provide for “a true-up of authorized revenues to collected revenues” in order to “adjust rates prospectively to assure that a water utility” collects its authorized revenue. Although it is not specifically labeled as such, this mechanism would appear to be equivalent to full decoupling. Staff would note that the Commission has entertained decoupling proposals in recent energy rate cases. In those proceedings, some stakeholders—especially certain customer groups—have opposed decoupling.<sup>2</sup> Staff believes that there may be other mechanisms to address this issue. Staff believes that the Commission should direct Staff to work with the stakeholders to explore options.

#### **V. Consolidation**

Staff believes that reducing the number of small, distressed water systems has substantial merit, and Staff supports efforts to achieve that goal. Furthermore, Staff believes that the proposed draft policies provide a useful starting point for the Commission.

Although portions of the proposed policies appear to be limited to acquisitions of nonviable companies, other sections appear to apply to all acquisitions of private water systems. For example, page 25 of the proposal states that the acquired system must have less than 3,300 customer connections and must be nonviable in order for the acquirer to qualify for an acquisition incentive.<sup>3</sup> By contrast, the three options at the end of this same proposal appear to contemplate the award of acquisition premiums for any acquisition of a private water system.<sup>4</sup> Staff believes that acquisition premiums may be appropriate in situations in which a nonviable system is acquired by a viable system.

However, because of Arizona’s constitutional requirements, some of the proposed incentives may not be appropriate for water utilities in Arizona. Staff recommends that the Commission direct Staff and the stakeholders to review the Pennsylvania policy and other similarly situated jurisdictions, such as Oregon, New Mexico and California and propose a recommendation on the consolidation incentives. The recommendations may include acquisition adjustments for non-viable and viable water systems.

In addition, Staff believes that the thorough review of the proposed recommendation of acquisition adjustments/premiums for every transaction should be undertaken to ensure that the proposed transaction will result in just and reasonable rates that are fair to both the ratepayer and the stakeholders.

In conclusion, Staff believes that acquisition adjustments can be a useful tool for incenting the acquisition of non-viable systems.

---

<sup>2</sup> See, e.g., *Southwest Gas Corp.*, Docket No. G-01551A-10-0458, Decision No. 72723.

<sup>3</sup> Working Group’s Proposals at 25.

<sup>4</sup> Working Group’s Proposals at 32-37.

The issues surrounding how best to structure incentives for consolidation tend to be complex. The Water Working Group's proposed policy statements include at least three separate proposals related to industry consolidation: 1) Consolidating the Arizona Water Industry, 2) Regional Consolidation, and 3) Water Utility Acquisition Process. Staff views these three proposals as inter-related. Because of the length of these proposals, and because of their inter-relationship, these three proposals would benefit from a rulemaking proceeding in which the Commission and stakeholders can work together to develop a comprehensive regulatory scheme to encourage water industry consolidation.

## **VI. Cost of Capital**

Staff believes that the development and adoption of a simplified and/or generic approach to determining the return on equity ("ROE") has merit. Other jurisdictions, such as California and Florida, have adopted a generic approach. Staff would recommend that the Commission direct Staff and the stakeholders establish a generic ROE approach. Certain Arizona-specific ratemaking doctrines, such as the fair value requirement, may need to be considered to ensure that any process that is developed conforms to those requirements.

## **VII. Including Wastewater**

The proposed policies are applicable to both water and wastewater companies. Staff notes that there are relatively few wastewater public service corporations in Arizona, and the issues that those companies face may be different. It may be more appropriate to address policies related to wastewater companies in a separate docket.

## **VIII. Conclusion**

Staff appreciates the opportunity to offer these comments, and looks forward to the ongoing development of these important policies. Staff also notes that after reviewing the forthcoming filings in the docket, it may seek to supplement its comments.

Service List for: Arizona Corporation Commission – Generic Investigation  
Docket No. W-00000C-16-0151

Cynthia Campbell  
200 West Washington, Suite 1300  
Phoenix, Arizona 85003-1611

Cynthia Zwick  
Arizona Community Action Association  
2700 North Third Street, Suite 3040  
Phoenix, Arizona 85004

Steve Wene  
MOYES SELLERS & HENDRICKS, LTD  
1850 North Central Avenue, Suite 1100  
Phoenix, Arizona 85004

Thomas Campbell  
Michael Hallam  
LEWIS ROCA ROTHGERBER,  
CHRISTIE, LLP  
201 East Washington Street, Suite 1200  
Phoenix, Arizona 85004

Timothy Sabo  
SNELL & WILMER, LLP  
One Arizona Center  
400 East Van Buren Street, Suite 1900  
Phoenix, Arizona 85004

Steven Hirsch  
QUARLES & BRADY, LLP  
Two North Central Avenue  
One Renaissance Square  
Phoenix, Arizona 85004

Ray Jones  
WUAA  
916 West Adams, Suite 3  
Phoenix, Arizona 85007

Greg Patterson  
MUNGER CHADWICK  
916 West Adams, Suite 3  
Phoenix, Arizona 85007

Daniel Pozefsky  
RUCO  
1110 West Washington, Suite 220  
Phoenix, Arizona 85007

Paul Walker  
INSIGHT CONSULTING, LLC  
330 East Thomas Road  
Phoenix, Arizona 85012

Garry Hays  
LAW OFFICES OF GARRY D. HAYS, PC  
2198 East Camelback Road, Suite 305  
Phoenix, Arizona 85016

Robert Metli  
MUNGER CHADWICK, PLC  
2398 East Camelback Road, Suite. 240  
Phoenix, Arizona 85016

Jeffrey Crockett  
CROCKETT LAW GROUP PLLC  
1702 East Highland Avenue, Suite 204  
Phoenix, Arizona 85016

Jay Shapiro  
SHAPIRO LAW FIRM, P.C  
1819 East Morten Avenue, Suite 280  
Phoenix, Arizona 85020

Michele Van Quathem  
LAW OFFICES OF MICHELE VAN  
QUATHEM, PLLC  
7600 North 15th Street, Suite 150-30  
Phoenix, Arizona 85020

Craig Marks  
CRAIG A. MARKS, PLC  
10645 North Tatum Boulevard  
Suite 200-676  
Phoenix, Arizona 85028

E. Robert Spear  
ARIZONA WATER COMPANY  
Post Office Box 29006  
Phoenix, Arizona 85038-9006

Robert McKenzie  
41633 North Panther Creek Trail  
Anthem, Arizona 85086

Roger Decker  
UDALL SHUMWAY PLC  
1128 North Alma School Road, Suite 101  
Mesa, Arizona 85201

Judith Dworkin  
4250 North Drinkwater Boulevard  
Fourth Floor  
Scottsdale, Arizona 85251-3693

Andrew Miller  
6401 East Lincoln Drive  
Paradise Valley, Arizona 85253

William Bennett  
Paradise Valley Country Club  
7101 North Tatum Boulevard  
Paradise Valley, Arizona 85253

Patrick Quinn  
QUINN AND ASSOCIATES, LLC  
ARIZONA UTILITY RATEPAYER  
ALLIANCE  
5521 East Cholla Street  
Scottsdale, Arizona 85254

Greg Eisert  
10401 West Coggins Drive  
Sun City, Arizona 85351

Jim Stark  
Sun City Home Owners Association  
10401 West Coggins Drive  
Sun City, Arizona 85351

Francis Noe  
11756 West Daley Lane  
Sun City, Arizona 85373

Frederick Botha  
23024 North Giovota Drive  
Sun City West, Arizona 85375

Douglas Edwards  
13517 West Sola  
Sun City West, Arizona 85375

Regina Shanney-Saborsky  
22155 North Mission Drive  
Sun City West, Arizona 85375

Karen Proctor  
11716 West Villa Chula Court  
Sun City, Arizona 85375

W.R. Hansen  
President, Property Owners and Residents  
Assoc.  
13815 West Camino del Sol  
Sun City West, Arizona 85375

Albert Gervenack  
14751 West Buttonwood Drive  
Sun City West, Arizona 85375

Steve Jennings  
AARP  
16165 North 83rd Avenue, Suite. 201  
Peoria, Arizona 85382

Marshall Magruder  
Post Office Box 1267  
Tubac, Arizona 85646

Lawrence Robertson, Jr.  
Post Office Box 1448  
Tubac, Arizona 85646

Rich Bohman  
Santa Cruz Valley Citizens Council  
Post Office Box 1501  
Tubac, Arizona 85646

Delman Eastes  
2042 East Sandtrap Lane  
Fort Mohave, Arizona 86426

Bradley Herrema  
21 East Carrillo Street  
Santa Barbara, California 93101

Mr. G. Robert Frisby  
Beaver Dam Water Company, Inc.  
Post Office Box 550  
Littlefield, Arizona 86432

Mr. Jason Williamson  
Pivotal Companies  
7581 East Academy Boulevard, Suite 229  
Denver, Colorado 80230

Mr. Terry Theken  
Greenehaven Sewer Company, Inc. and  
Greenehaven Water Company  
Post Office Box 5122  
Greenehaven, Arizona 86040

Mr. Chris Civer  
Lake Pleasant Sewer Company and Lake  
Pleasant Water Company  
2390 East Camelback Road, Suite 310  
Phoenix, Arizona 85016

Mr. Steve Soriano  
Robson Companies  
9532 East Riggs Road  
Sun Lakes, Arizona 85248

Ms. Heather Pugsley  
Seven Canyons Water Treatment Company  
755 Golf Club Way  
Sedona, Arizona 86336

Ms. Nancy Miller  
Sunstate  
4743 East 30<sup>th</sup> Place  
Yuma, Arizona 85365

Mr. Jon P. Coulter  
Woodruff Water Company, Inc. and  
Woodruff Utility Company, Inc.  
17207 North Perimeter Drive, Suite 200  
Scottsdale, Arizona 85255

Mr. Paul Juhl  
Southwestern Utility Management  
Post Office Box 364  
Overgaard, Arizona 85933

Mr. Roy Archer  
Ajo Improvement Company  
Post Office Drawer 9  
Ajo, Arizona 85321

Mr. Dick Lockwood  
Baca Float Water Company  
Post Office Box 1536  
Tubac, Arizona 85646

Mr. Gary Biasi  
Biasi Water Company, Inc.  
Post Office Box 518  
Beaver Dam, Arizona 86432

Mr. Andrew Stokes  
Cloud Nine Water Company, Inc.  
96 Bel Aire Place, Suite 140  
Sierra Vista, Arizona 85635

Mr. Leonard Mardian  
Double Diamond Utilities, Inc.  
3636 North Central Avenue, Suite 700  
Phoenix, Arizona 85012

Ms. Sheryl Hubbard  
EPCOR Water Arizona, Inc. and Chaparral  
City Water Company  
2355 West Pinnacle Peak Road, Suite 300  
Phoenix, Arizona 85027

Mr. Charles Bush  
Fisher's Landing Water & Sewer Works, LLC  
Post Office Box 72188  
Yuma, Arizona 85365

Mr. Michael Saunders  
Francisco Grande Utility Company  
12684 West Gila Bend Highway  
Casa Grande, Arizona 85193

Mr. George Johnson  
Johnson Utilities, LLC  
5230 East Shea Boulevard, Suite 200  
Scottsdale, Arizona 85254

Mr. Randy Sosin  
Oak Creek Utility Corporation  
Post Office Box 1796  
Sedona, Arizona 86339

Mr. Mark Weinberg  
Red Rock Utilities, LLC and Spanish Trail  
Water Co.  
2200 East River Road, Suite 115  
Tucson, Arizona 85718

Mr. James Thomson  
Rio Verde Utilities, Inc.  
25609 North Danny Lane, Suite 1  
Rio Verde, Arizona 85263

Mr. David Rall  
Sunrise Utilities, LLC  
190 East Mesquite Boulevard, Unit A  
Mesquite, Nevada 89027

Mr. Rafe Cohen  
Sunrise Vistas Utilities Company  
Post Office Box 8555  
Ft. Mohave, Arizona 86427

Mr. Ron Bunce  
Equity Lifestyle Properties, Inc.  
MHC Operating Limited Partnership dba The  
Sedona Venture Water Company  
2 North Riverside Plaza, Suite 800  
Chicago, Illinois 60606

Mr. Lonnie Mc Cleve  
Utility Source, LLC  
20525 East Chandler Heights Road  
Queen Creek, Arizona 85142-9500

Mr. Kevin Tarbox  
Willow Springs Utilities, LLC  
3275 West Ina Road, Suite 275  
Tucson, Arizona 85741

Mr. Kevin Larson  
Abra Water Company, Inc.  
Post Office Box 515  
Paulden, Arizona 86334

Mr. Jim West  
ACME Water, LLC  
365 East Coronado Road, Suite 200  
Phoenix, Arizona 85004-1560

Mr. David Schofield  
Adaman Mutual Water Company  
16251 West Glendale Avenue  
Litchfield Park, Arizona 85340

Ms. Victoria Bonnet  
Aguila Water Services, Inc.  
Post Office Box 1086  
Sun City, Arizona 85372

Mr. Arden Barney  
Antelope Lakes Water Company; Chino  
Meadows II Water Company, and Granite  
Mountain Water Company  
Post Office Box 350  
Chino Valley, Arizona 86323

Mr. Tristan Wright  
Antelope Water Company  
Post Office Box 843  
Wellton, Arizona 85356

Mr. Joseph Cordovana  
Appaloosa Water Company  
Post Office Box 3150  
Chino Valley, Arizona 86323

Ms. Patti Jent  
Arivaca Townsite Cooperative Water  
Company, Inc.  
Post Office Box 398  
Arivaca, Arizona 85601

Mr. William M. Garfield  
Arizona Water Company and Golden  
Corridor Water Company  
Post Office Box 29006  
Phoenix, Arizona 85038-9006



Mr. Lewis Hume  
Ash Fork Development Association, Inc.  
Post Office Box 436  
Ash Fork, Arizona 86320-0436

Ms. Carol Gonzales  
Ashcreek Water Company; Carter Water  
Company; and Lyn-Lee Water Company  
Post Office Box 825  
Thatcher, Arizona 85552

Mr. Blaine Bilderback  
Aubrey Water Company  
Post Office Box 961050  
Ft. Worth, Texas 76161

Mr. Norm Baker  
AVM-2005, LLC  
6263 North Scottsdale Road, Suite 265  
Scottsdale, Arizona 85250

Ms. Cathy Kuefler  
Avra Water Co-op, Inc.  
11821 West Picture Rocks Road  
Tucson, Arizona 85743

Mr. Ron Fleming  
Global Water Resources, Inc.  
21410 North 19<sup>th</sup> Avenue, Suite 220  
Phoenix, Arizona 85027

Ms. Judy A. Lopez  
Beardsley Water Company and Turner  
Ranches Water & Sanitation Co.  
Post Office Box 1020  
Apache Junction, Arizona 85217-1020

Mr. Greg Sorensen  
Liberty Water Company  
12725 W. Indian School Road, Suite D101  
Avondale, Arizona 85392

Ms. Klaudia Ness  
Bellemont Water Company  
Post Office Box 31176  
Flagstaff, Arizona 86003

Ms. Wendy Barnett  
Bermuda Water Company; Perkins Mountain  
Water Company, and Perkins Mountain  
Utility Company  
1240 East State Street, Suite 115  
Pahrump, Nevada 89048

Mr. Don Ross  
Berneil Water Company and Cordes Lakes  
Water Company  
Post Office Box 219  
Tempe, Arizona 85280-0219

Ms. Karen A. Samuel  
Bidegain Water Company  
247 South Hill Street  
Globe, Arizona 85501

Mr. Steve Gudovic  
Big Park Water Company and Little Park  
Water Company  
45 Castle Rock Road, Suite 4  
Sedona, Arizona 86351

Mr. Ken Nagy  
Bonita Creek Land & Homeowners'  
Association  
251 Big Al's Run  
Payson, Arizona 85541

Ms. Susanne Knight  
Boynton Canyon Enchantment Homeowners  
Association Water Utility Company  
525 Boynton Canyon Road  
Sedona, Arizona 86336

Mr. Tim Kylo  
Kyllo Development Corp. dba Bradshaw  
Mountainview Water Company and  
Humboldt Water Systems, Inc.  
Post Office Box 10593  
Sedona, Arizona 86339

Mr. Don Bohler  
Bradshaw Water Company  
Post Office Box 12758  
Prescott, Arizona 86304

Mr. Robert T. Hardcastle  
Brooke Water, LLC and Circle City Water  
Company, LLC  
Post Office Box 82218  
Bakersfield, California 93380

Mr. Dallas C. Gant, Jr.  
Caballeros Water Company, Inc.  
1551 South Vulture Mine Road  
Wickenburg, Arizona 85390

Mr. Mike Gallego  
Cactus-Stellar, Ltd.  
HCR 2, Box 469  
Tucson, Arizona 85735

Mr. Stanley Bullard  
Camp Verde Water System, Inc. and Verde  
West Irrigation  
Post Office Box 744  
Camp Verde, Arizona 86322

Mr. Robert D. Gordon  
Casa Grande South Water Company and Casa  
Grande West Water Co., Inc.  
117 East Second Street  
Casa Grande, Arizona 85222

Mr. Vernon Cardwell  
C-D Oasis Water Company  
1665 10<sup>th</sup> Street  
Douglas, Arizona 85607

Mr. Rick Neal  
Cerbat Water Company and Truxton Canyon  
Water Company  
7313 East Concho Drive, Suite B  
Kingman, Arizona 86401

Mr. Dave Grundy  
Cibola Mutual Water Company, Inc.  
RR2, Box 77  
Cibola, Arizona 85328

Ms. Debra Kilgore  
Cienega Water Company  
7804 Riverside Drive  
Parker, Arizona 85344

Mr. JJ Guerin  
Clearwater Utilities Co.  
20441 West Cheyenne Road  
Buckeye, Arizona 85326

Mr. Roger Wagner  
Coldwater Canyon Water Company  
Post Office Box 637  
Black Canyon City, Arizona 85324

Mr. Arturo R. Gabaldon  
Community Water Company of Green Valley  
1501 South La Canada  
Green Valley, Arizona 85622-1600

Ms. Linda Stevens  
Dateland Public Service Co., Inc.  
Post Office Box 3011  
Dateland, Arizona 85333

Mr. Ben Thomas  
Dateland Water LLC  
Post Office Box 98  
Anacortes, Washington 98221

Mr. Scott Wootton  
Desert Valencia Water, Inc.  
10826 North Sand Canyon Place  
Oro Valley, Arizona 85737

Mr. Scott Gray  
Diversified Water Utilities, Inc.  
4700 East Thomas Road, Suite 203  
Phoenix, Arizona 85018

Mr. Bill Linville  
Doney Park Water  
5290 East Northgate Loop  
Flagstaff, Arizona 86004

Mr. Todd R. Bremner  
Double R. Water Distributors, Inc.  
500 Lake Havasu Avenue North, Suite C100  
Lake Havasu City, Arizona 86403

Ms. Patti Wynn  
DS Water Company  
Post Office Box 786  
Desert Springs, Arizona 86432

Ms. Susan E. Haas  
Eagletail Water Company, L.C.  
Post Office Box 157  
Tonopah, Arizona 85354

Ms. Sebrina Davis  
Eden Water Company, Inc.  
9488 North Hot Springs Road  
Eden, Arizona 85535

Mr. Dennis Price  
Ehrenberg Improvement Association  
Post Office Box 50  
Ehrenberg, Arizona 85334-0050

Mr. James Vermilyea  
Empirita Water Company, Inc.  
2850 East Skyline Drive, Suite 100  
Tucson, Arizona 85718

Ms. Paula Capestro  
Far West Water & Sewer, Inc.  
13157 East 44<sup>th</sup> Street  
Yuma, Arizona 85367

Mr. Matthew Bailey  
Farmers Water Co.  
Post Office Box 7  
Sahuarita, AZ 85629

Mr. Scott Gold  
Flagstaff Ranch Water Co., Inc. and Mormon  
Lake Water Co.  
Post Office Box 10775  
Phoenix, Arizona 85064

Ms. Patricia Ashbrook  
Forest Highlands Water Company  
2425 William Palmer  
Flagstaff, Arizona 86001

Ms. Amanda McCord  
Fort Mojave Tribal Utilities Authority  
Post Office Box 5559  
Mohave Valley, Arizona 86446

Mr. Jimmy A. Deere  
Gadsden Water Company, Inc.  
Post Office Box 519  
Somerton, Arizona 85350

Ms. Linda Wayland  
Golden Shores Water Company, Inc.  
Post Office Box 37  
Topock, Arizona 86436

Mr. Kirk Gray  
Graham County Utilities, Inc.  
Post Office Drawer B  
Pima, Arizona 85543

Mr. Terry Williamson  
Grand Canyon Caverns and Inn, LLC  
Post Office Box 180  
Peach Springs, Arizona 86434

Mr. David Crowl – DC Sampling  
Grandview Water Company, Inc.  
11632 South 194<sup>th</sup> Drive  
Buckeye, Arizona 85326

Mr. Richard Horsley  
Granite Dells Water Co.  
3025 North Highway 89  
Prescott, Arizona 86301

Mr. Robert Busch  
Granite Oaks Water Users Association, Inc.  
Post Office Box 4947  
Chino Valley, Arizona 86323

Mr. Kal Miller  
Groom Creek Water Users Association  
Post Office Box 3897  
Prescott, Arizona 86302

Mr. Rudolf H. Barsotti  
Halcyon Acres Water Users Association, Inc.  
Post Office Box 18448  
Tucson, Arizona 85731-8448

Mr. Troy L. Scott  
Harrisburg Utility Company, Inc.  
Post Office Box 905  
Salome, Arizona 85348

Ms. Amie Sulger  
Heart Cab Co., Inc. dba Sulger Water  
Company #2  
2567 North Calle Segundo  
Huachuca City, Arizona 85616

Mr. William F. Lesko  
Heckethorn Water Company  
4400 East Button Lane  
Flagstaff, Arizona 86005

Ms. Susan Stroud  
High Country Pines Water Company, Inc.  
6033 North 4<sup>th</sup> Place  
Phoenix, Arizona 85012

Ms. Barbara Dunlap  
Hillcrest Water Company  
915 East Bethany Home Road  
Phoenix, Arizona 85014

Ms. Carol E. Cowan  
Holiday Water Company and Lucky Hills  
Water  
Post Office Box 309  
Tombstone, Arizona 85638

Ms. Ginny Lowe  
Woody's Enterprises, Ltd. dba Ho-Tye Water  
Company  
580 West Wickenburg Way  
Wickenburg, Arizona 85390

Mr. John W. Rueter  
Hydro-Resources, Inc.  
Post Office Box 3246  
549 Camper Village  
Grand Canyon, Arizona 86023

ICR Water Users Association, Inc.  
Post Office Box 2344  
Prescott, Arizona 86302-2344

Mr. William H. Johnston  
Jackson Spring Estates Home and Property  
Owners Association  
6139 East Hermosa Vista Drive  
Mesa, Arizona 85215

Mr. John D. Ratliff  
Joshua Valley Utility Co.  
5219 North Casa Blanca Drive, Suite 55  
Paradise Valley, Arizona 85253

Ms. Judi Schuetz  
Katherine Resort Water Company  
7885 Quince Street  
La Mesa, California 91941

Ms. Evelyn R. Thorne  
Kohl's Ranch Water Company, Inc.  
Post Office Box 206  
Payson, Arizona 85547

Mr. Stan Miller  
Lagoon Estates Water Company  
2600 North 44<sup>th</sup> Street, Suite 203  
Phoenix, Arizona 85008

Mr. Dugan McDonald  
Lake Verde Water Company, Inc.  
Post Office Box 2777  
Camp Verde, Arizona 86322

Ms. Lisa Sullivan  
Lakewood Water Company; Saguaro Water  
Company; and Tierra Linda Homeowners  
Association, Inc.  
Post Office Box 14858  
Tucson, Arizona 85732

Mr. Omar Mejia  
Las Quintas Serenas Water Company  
Post Office Box 68  
Sahuarita, Arizona 85629

Mr. Robert J. Canfield  
Lazy C Water Service  
Post Office Box 1  
Tucson, Arizona 85702

Mr. Rick Kautz  
Livco Water Company and Livco Sewer  
Company  
Post Office Box 659  
Concho, Arizona 85924

Ms. Julie Baker  
Loma Estates Water Co., LLC  
11620 Bella Sierra Trail  
Prescott, Arizona 86305

Mr. Bevan Barney  
Loma Linda Water Company  
Post Office Box 967  
Thatcher, Arizona 85552

Mr. Tom Lord  
Lord Arizona Water Systems, Inc. and  
Sitgreaves Water Company  
Post Office Box 3048  
Show Low, Arizona 85902

Ms. Jody Carlson  
Los Cerros Water Company, Inc.  
4003 North Flowing Wells Road, Suite 111  
Tucson, Arizona 85705

Mr. Steven McAdams  
McAdams Water Company  
10434 230<sup>th</sup> Street  
Delta, Iowa 52550-8545

Ms. Laura Guth  
Martinez Lake Sewer Company and Shepard  
Water Company  
10430 North Martinez Lake Road  
Yuma, Arizona 85365

Mr. Neil Petersen  
McNeal Water Company  
Post Office Box 12776  
Ft. Huachuca, Arizona 85670-2776

Ms. Wendy Ferguson  
Michael's Ranch Water Users' Association  
1 Michaels Ranch Drive  
Sedona, Arizona 86336

Mr. Robert Chris Rockwell  
Mohawk Utility Company  
36140 Antelope Drive  
Wellton, Arizona 85356

Mr. Alfredo Rubio  
Monte Vista Water Co., LLC  
4762 North Rustler Place  
Douglas, Arizona 85607

Ms. Patricia Olsen  
Montezuma Rimrock Water Company, LLC  
3031 East Beaver Creek Road  
Rimrock, Arizona 86335

Mr. Peter Reznick  
Mountain Dell Water, Inc.  
1492 West Palmer Avenue  
Flagstaff, Arizona 86005

Mr. Joseph Duarte  
Mount Tipton Water Co., Inc.  
Post Office Box 38  
Dolan Springs, Arizona 86441

Mr. Bob Fletcher  
New River Utility Company, Inc.  
7939 West Deer Valley Road  
Peoria, Arizona 85382

Mr. William E. Jackson, Jr.  
Post Office Box 103  
Cornville, Arizona 86325

Mr. Jack Seeley  
Oak Creek Water Co., No. 1  
90 Oak Creek Boulevard  
Sedona, Arizona 86336

Mr. Steve Anderson  
Oatman Water Company, LLC  
1 East Camelback Road, Suite 1100  
Phoenix, Arizona 85012

Mr. Kathleen M. Day  
Orange Grove Water Company, Inc.  
Post Office Box 889  
Yuma, Arizona 85366-0889

Ms. Gail Spain  
Parker Lakeview Estates Homeowners  
Association, Inc.  
7947 South Coronado Trail  
HC1 Box 474  
Elgin, Arizona 85611

Mr. Richard Darnall  
Peeples Valley Water Company  
Post Office Box 88006  
Phoenix, Arizona 85080

Mr. Bill McCabe  
Picacho Peak Water Company  
28784 Stonehenge Drive  
Chesterfield, Michigan 48047

Mr. Ed Kile  
Picacho Water Improvement Corporation  
6240 East Monitor  
Picacho, Arizona 85141

Mr. Lance Wischmeier  
Pine Valley Water Company  
480 Raintree Road  
Sedona, Arizona 86351

Mr. Nathan Castillo  
Pinecrest Water Company, Inc.  
Post Office Box 97  
Nutrioso, Arizona 85932

Ms. Vera Hendrix  
Ponderosa Utility Corporation  
949 Osage  
Flagstaff, Arizona 86005

Mr. Rick Coffman  
Pueblo del Sol Water Company  
4226 Avenida Cochise, Suite 13  
Sierra Vista, Arizona 85635

Mr. Wyman Shepherd  
11301 East Indigo Road  
Prescott Valley, Arizona 86315

Mr. Mike Glover  
Q Mountain Mobile Home Park Water  
Post Office Box 4930  
Quartzsite, Arizona 85359

Mr. Bruce Jacobson  
Q Mountain Water Inc.  
1334 South 5<sup>th</sup> Avenue  
Yuma, Arizona 85364

Mr. Albert Lannon  
Rancho Del Conejo Community Water Co-  
op, Inc.  
13130 West Rudasill Road  
Tucson, Arizona 85743

Mr. Rhonda Mallis Rosenbaum  
Ray Water Company  
414 North Court Avenue  
Tucson, Arizona 85701

Ms. Juanita Carbajal  
Rillito Water Users Association  
Post Office Box 668  
Rillito, Arizona 85654

Ms. Karen Hartwell  
Rincon Water Company  
HC #70 Box 3601  
Sahuarita, Arizona 85629

Mr. Michael Leach  
Roosevelt Lake Resort, Inc.  
Post Office Box 695  
Roosevelt, Arizona 85545

Mr. Gary P. Brasher  
Rose Valley Water Company, Inc.  
Post Office Box 1444  
Green Valley, Arizona 85622-1444

Ms. Marian Homiak  
Sahuarita Water Company, LLC  
4549 East Fort Lowell Road  
Tucson, Arizona 85712

Mr. Horst Kraus  
Kraus Investments L.C. dba Shangri-La  
Ranch  
44444 North Shangri-La Lane  
New River, Arizona 85087

Mr. Terry Hill  
Sherman Pines Homeowners Assoc., Inc.  
1203 East Pine Ridge Drive  
Prescott, Arizona 86303

Mr. Jerry M. Graham  
South Rainbow Water Coop.  
27205 South 170<sup>th</sup> Avenue  
Buckeye, Arizona 85326

Mr. Broc C. Hiatt  
Spring Branch Water Company, Inc.  
1223 South Clearview Avenue, Suite 103  
Mesa, Arizona 85209

Mr. Michael Suggs  
Sterling Water Company  
12438 North Saguaro Boulevard, Suite 114  
Fountain Hills, Arizona 85268

Mr. Edward A. Elliott  
Stoneman Lake Water Company, Inc.  
Post Office Box 10061  
Sedona, Arizona 86339

Ms. Diana Crites  
Sun Leisure Estates Utilities Co., Inc.  
Post Office Box 1074  
Yuma, Arizona 85366

Mr. Jimmy L. Harris  
Sun Valley Farms Unit IV Water Company,  
Inc.  
3698 East Hashknife Draw Road  
San Tan Valley, Arizona 85140

Mr. Narvol D. Bales  
Sunizona Water Company and Wayward  
Wind's  
5416 East Highway 181  
Pearce, Arizona 85625

Ms. Beth Wand  
Great Prairie Oasis LLC dba Sunland Water  
Company  
7502 East Hazelwood Street  
Scottsdale, Arizona 85251

Mr. Steven D. Campbell  
Sunrise Water Co. and West End Water Co.  
9098 West Pinnacle Peak Road  
Peoria, Arizona 85383

Mr. Brent Mullen  
Tall Pines Estates Water & Improvement  
HC 31 Box 25  
Mormon Lake, Arizona 86038

Mr. Ruel Rogers  
The Morenci Water and Electric Company  
Post Office Box 68  
Morenci, Arizona 85540

Mr. Robert L. Prince  
Tierra Buena Water Company and Valley  
Utilities Water Co., Inc.  
12540 West Bethany Home Road  
Litchfield Park, Arizona 85340

Tierra Linda Water Company, Inc.  
Post Office Box 14858  
Tucson, Arizona 85732

Mr. James C. Rea  
Tonto Creek Water Company, LLC  
Post Office Box 13993  
Mesa, Arizona 85216

Mr. Jeff Daniels  
Tonto Village Water Co., Inc. and Utility  
Systems, LLC  
173 South Blackfoot Road  
Payson, Arizona 85541

Mr. Daniel H. O'Connell  
Tortolita Water Co., Inc.  
3573 East Sunrise Drive, Suite 133  
Tucson, Arizona 85718

Mr. Chris Brainard  
Tusayan Water Development Association,  
Inc.  
Post Office Box 520  
Grand Canyon, Arizona 86023

Mr. Christopher Hill  
Twin Hawks Utility, Inc.  
Post Office Box 70022  
Tucson, Arizona 85737

Mr. Christopher Volpe  
Vail Water Company  
1010 North Finance Center Drive, Suite 200  
Tucson, Arizona 85710

Mr. Bobbie L. Wood  
Valley Pioneer's Water Company, Inc.  
5998 West Chino Drive  
Golden Valley, Arizona 86413

Mr. Charles Keating  
Valley View Water Company  
2930 East Elm Street  
Phoenix, Arizona 85016

Mr. Alan Williams  
Verde Lakes Water Corporation  
2867 South Verde Lakes Drive, Suite B  
Camp Verde, Arizona 86322-6595

Ms. Marla Wilkerson  
Verde Lee Water Co., Inc.  
Post Office Box 1322  
Clifton, Arizona 85533

Mr. Dane Bullard  
Verde West Irrigation  
Post Office Box 744  
Camp Verde, Arizona 86322

Mr. Thomas Stoddard  
Virgin Mountain Utilities Company, Inc.  
Post Office Box 668  
Littlefield, Arizona 86432

Viva Development Corporation  
Post Office Box 12863  
Tucson, Arizona 85732

Mr. Samuel DuBois  
Walden Meadows Community Co-op  
9325 Donegal Drive, Suite A  
Wilhoit, Arizona 86332

Mr. Scott R. Dunton  
Walnut Creek Water Co., Inc.  
119 East Andy Devine Avenue  
Kingman, Arizona 86401

Mr. Allen Ginsberg  
West Village Water Company  
1120 West University Avenue, Suite 200  
Flagstaff, Arizona 86001

Mr. V. David Arthur  
White Hills Water Company, Inc.  
Post Office Box 30626  
Mesa, Arizona 85275

Ms. Cindy Leath  
White Horse Ranch Owners Association, Inc.  
Post Office Box 10000  
Prescott, Arizona 86304

Mr. Jon Cheney  
White Mountain Water Company  
Post Office Box 24204  
Tempe, Arizona 85285

Mr. Stan Reed  
Wickenburg Ranch Water, LLC and  
Wickenburg Ranch Wastewater, LLC  
Post Office Box 16460  
Phoenix, Arizona 85011



Mr. Phil Auernheimer  
Winchester Water Company, LLC  
Post Office Box 86453  
Phoenix, Arizona 85080

Janice E. Worden and Lawrence A. Worden  
dba Worden Water Company  
15150 West Ajo Way, Suite 568  
Tucson, Arizona 85735

Mr. Stan Kephart  
Yarnell Water Improvement Association  
Post Office Box 727  
Yarnell, Arizona 85362

Mr. JimmyLee Todd  
Yucca Water Association, Inc.  
Post Office Box 575, Frontage Road  
Yucca, Arizona 86438

Ms. Sandy Sutton  
WIFA  
1110 West Washington Street, Suite 290  
Phoenix, Arizona 85007

Mr. Thomas M. Broderick  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice Alward  
Chief Legal Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Dwight Nodes  
Chief Administrative Law Judge, Hearing  
Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007